MONTANA DEO



BEAL MOUNTAIN MINE FACT SHEET

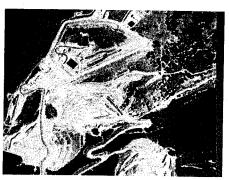
BEAL MOUNTAIN MINE POND REMOVAL & RUN ON CONTROL PROJECT, SILVER BOW COUNTY

MINE WASTE CLEANUP BUREAU, ABANDONED MINE SECTION

January 2011

PROJECT BACKGROUND

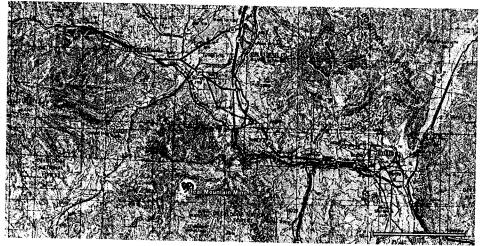
The Beal Mountain Mine is situated on land managed by the United States Forest Service (USFS). The Beal Mountain Mine ceased open pit mining operations in 1997, and the mine was included in the Pegasus Gold Corporation bankruptcy filings from 1998. With the bankruptcy filing, the bankruptcy trustee assumed responsibility for the water treatment and mine reclamation activities at Beal. In 2004, the reclamation bond funds were exhausted and the remaining mine assets were transferred by the trustee to the USFS and the DEQ. With the exit of the bankruptcy trustee, the USFS has undertaken site characterization activities and assumed responsibility for treating and disposing of contaminated water from the heap leach pad. In 2007, the DEQ auctioned buildings and equipment not



necessary for on-going water treatment activities. Alternatives for reclamation actions at Beal have been developed based on the site characterization work performed by the USFS. No source of funding has been identified to complete reclamation work at the Beal Mountain Mine; however, incremental steps have been developed that progress toward completing the necessary work at the site. The USFS is the lead agency responsible for final mine closure and the DEQ is a cooperating agency assisting the USFS with managing reclamation activities.

PROJECT LOCATION

The Beal Mountain Mine site is located in Silver Bow County at the headwaters of German Gulch in the Pioneer Mountains, in Section 6, Township 2 North, Range 10 West, approximately 10 miles southwest of Fairmont (Gregson) Hot Springs.



FOR MORE INFORMATION CONTACT:

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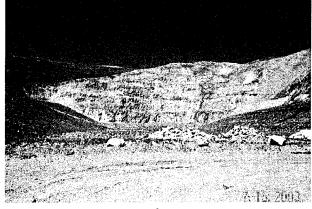
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PROJECT PURPOSE

The goal for the Beal Mountain Mine is to finish reclamation and allow the area to return to its pre-mining, multiple use status. Site characterization, including evaluation of completed reclamation, has identified outstanding issues that potentially affect the environment that need to be addressed. These issues include the infiltration of precipitation into the leach pad; the on-going need for treatment and disposal of remaining heap leach solutions; how the mine waste reacts chemically with the environment long-term (including both acidity and the release of selenium to the environment from several potential mine sources); structural stability of the pit highwall and leach pad dike; and removal of various facilities including ponds and treatment facilities. As no source of funding has been identified to complete all the work needed at the site, a series of incremental actions have been proposed for addressing the site. DEQ used a RIT-RDG grant awarded by the 2009 legislature to place soil cover and vegetation over a portion of the waste rock that was not covered with soil per the mine reclamation plan.



Beal Pit

PROPOSED RECLAMATION

This grant application addresses three of the outstanding issues at the Beal Mountain Mine. These issues include regrading of Minnesota Pond for wildlife access, removal of two storm water ponds on German Gulch, and construction of run on controls above the Beal Pit to divert water away from the fault and slide prone areas that extend under the fluid filled heap leach pad. DEQ will be the contracting agency for the proposed work at the Beal Mountain Mine. Project construction is expected to be completed in one work season, July — October 2011, and will be managed by DEQ's Abandoned Mine Program.



Heap Leach Pad

BENEFITS OF RECLAMATION

These actions will not solve all of the problems at the Beal Mountain Mine site. However, they are incremental actions that contribute in a positive way to the problems at Beal Mountain Mine. They will minimize the risk of failure of the heap leach pad containment dike and assist with returning the site to multiple use designation. These actions are not the total solution to the outstanding issues that potentially affect the environment that need to be addressed, but they are what can be done at this time.



Reclaimed South Beal Pit